

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 06890 121151Z

ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 EB-07 SS-15 /033 W

-----018850 121153Z /53

R 112135Z JUL 77

FM AMEMBASSY CARACAS

TO USDOC WASHDC

INFO SECSTATE WASHDC 8351

LIMITED OFFICIAL USE CARACAS 6890

E.O. 11652: N/A

TAGS: BENC, BEXP, OVIP, VE

SUBJECT: PROPOSED VISIT TO VENEZUELA BY SECRETARY KREPS

REF: A. CARACAS A-099, B. CARACAS 2717, C. CARACAS 1502,
D. CARACAS 3503, CARACAS 2603 AND PREVIOUS

1. SUMMARY. EMBASSY RECOMMENDS THAT SECRETARY OF COMMERCE KREPS VISIT CARACAS TO INAUGURATE NEW DOC COMMERCIAL EXHIBITION FACILITY AUGUST 29. THIS WOULD BE GOOD OPPORTUNITY FOR USG TO MAKE HIGH-LEVEL PITCH FOR GREATER U.S. SHARE OF REMAINING MAJOR GOV DEVELOPMENT PROJECTS - ESPECIALLY \$2 BILLION IRON, STEEL AND COAL COMPLEX IN ZULIA REGION. END SUMMARY.

2. THIS MESSAGE SUMMARIZES REPAIR CARACAS A-099 NOW ENROUTE TO WASHINGTON, WHICH REVIEWED THE BILLION-DOLLAR RAILROAD PROJECT ON WHICH THE EMBASSY AND COMMERCE ASSIDUOUSLY SUPPORTED A U.S. CONSORTIUM. IT SUGGESTED REASONS WHY WE FAILED WHILE RECOMMENDING FURTHER ACTIONS TO TAKE ON THE NEXT LARGE PROGRAM COMING UP, THE CORPUZULIA COAL AND STEEL PROJECTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 06890 121151Z

3. THE RECENT VISIT TO VENEZUELA BY MRS. ROSALYN CARTER AND THE STATE VISIT TO U.S. BY PRESIDENT PEREZ, HAVE CREATED AN ATMOSPHERE OF GOOD WILL AND RECEPTIVENESS TO U.S. INITIATIVES. EMBASSY BELIEVES HARD-HITTING FOLLOW-UP TO PROMOTE COMMERCIAL OPPORTUNITIES BY SECRETARY OF COMMERCE JUANITA KREPS WOULD PAY DIVIDENDS OVER THE NEAR TERM.

USDOC'S SATURATION MARKETING CAMPAIGN WITH HEAVY SCHEDULE OF TRADE EXHIBITIONS RECOGNIZES UNIQUE OPPORTUNITIES FOR U.S. IN VENEZUELA MARKET. LIKEWISE, VENEZUELA'S AMBITIONS DEVELOPMENT PROGRAM REQUIRES DYNAMIC EFFORT TO ASSURE ACCESS TO THESE PROJECTS BY U.S. CONSULTANTS, ENGINEERS, AND CAPITAL GOODS SUPPLIERS.

4. THE FORMAL INAUGURATION OF THE NEW CARACAS EXHIBITION FACILITY ON AUGUST 29 WILL PROVIDE AN APPROPRIATE OCCASION FOR SECRETARY KREP'S VISIT. IT WILL INITIATE A SERIES OF EIGHT SOLO EXHIBITIONS WITHIN THIRTEEN MONTHS AIMED AT VENEZUELAN NEEDS FOR ADVANCED TECHNOLOGY IN ITS DEVELOPMENT PROCESS. IN ADDITION TO THE ACTIVITIES RELATED TO THE INAUGURATION, THE SECRETARY COULD BE BRIEFED ON FOSTERING THE APPLICATION OF U.S. TECHNOLOGY AND CAPITAL GOODS TO VENEZUELA'S LARGE PUBLIC DEVELOPMENT PROJECTS, AS WELL AS, OF COURSE, SALES TO THE VENEZUELAN PRIVATE SECTOR. THE SUBSTANTIVE PURPOSE OF THE VISIT WOULD BE TO FURTHER FOSTER A RECEPTIVENESS ON THE PART OF GOV DECISION-MAKERS TO EMPLOY U.S. TECHNOLOGY, PARTICULARLY IN CORPOZULIA, THE REGIONAL DEVELOPMENT AUTHORITY RESPONSIBLE FOR THE IRON AND COAL COMPLEX. THE EMBASSY CONTEMPLATES ARRANGING AN AUDIENCE WITH PRESIDENT PEREZ, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CARACA 06890 121151Z

SUBSTANTIVE DISCUSSIONS WITH MINISTER OF HEAVY INDUSTRY, LAURIA, MINISTER OF TRANSPORT AND COMMUNICATIONS VIVAS, ETC., PLUS A FIELD TRIP TO CORPOZULIA INSTALLATIONS IN MARACAIBO.

5. FOLLOWING SECRETARY KREP'S VISIT EMBASSY RECOMMENDS THAT USDOC ORGANIZE A HIGH-LEVEL TECHNOLOGICAL MISSION TO CORPOZULIA BY SUCH FIRMS AS U.S. STEEL ENGINEERING, DRAVO, MCKEE, PULLMAN, MORRISON-KNUDSEN ET AL TO GAIN ENTREE TO THE CORPOZULIA IRON AND COAL PROJECTS. THE POSSIBILITY OF SUCH A VISIT SHOULD BE BROACHED BY THE SECRETARY DURING THE VISIT TO VENEZUELA. IT WILL BE RECALLED THAT APPARENTLY AS A DIRECT RESULT OF HIS VISIT TO LONDON, PRESIDENT PEREZ INSTRUCTED THE PRESIDENT OF CORPOZULIA TO INITIATE DISCUSSIONS WITH BRITISH STEEL CORPORATION. AN AGREEMENT HAS NOT BEEN SIGNED YET. IN A RECENT CONVERSATION, MINISTER OF HEAVY INDUSTRIES CARMELO LAURIA TOLD THE AMBASSADOR THAT HE WAS INTERESTED IN SEEING U.S. PARTICIPATION IN THESE POTENTIALLY MASSIVE (\$2 BILLION PLUS) PROJECTS.

6. THIS SHOULD BE A TWO-WAY EXCHANGE, WITH VENEZUELAN CABINET OFFICERS AND CORPOZULIA EXECUTIVES INVITED TO VISIT U.S. INSTALLATIONS FOLLOWED UP BY A HIGH-LEVEL (PRESIDENT OR INTERNATIONAL VICE PRESIDENT) MISSION TO CARACAS AND MARACAIBO BY THE U.S. FIRMS. THEY SHOULD BE PREPARED TO MAKE SUBSTANTIAL LONG-TERM COMMITMENTS FOR ASSISTANCE IN DEVELOPING THESE PROJECTS TO POLICY-MAKERS IN THE GOVERNMENT I.E., PRESIDENT PEREZ, MINISTER LAURIA, MINISTER HURTADO, ET AL., AND EMPOWERED TO START NEGOTIATIONS WITH CORPOZULIA. THIS MIGHT BE ORGANIZED UNDER THE SPONSORSHIP OF THE AMERICAN IRON & STEEL INSTITUTE OR A LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 CARACA 06890 121151Z

SIMILAR PROFESSIONAL/TRADE ORGANIZATION TO ACT AS SURROGATE FOR USG AND INDIVIDUAL COMPANIES' INTERESTS.

7. WE REITERATE THAT WHAT WE FEEL TO BE NEEDED IS A COMBINATION OF A HIGH-LEVEL POLITICAL APPROACH PAVING THE WAY FOR A FIRST-CLASS SALES PRESENTATION BY A SELECT GROUP OF AMERICAN FIRMS READY TO MAKE A SUBSTANTIAL INITIAL COMMITMENT TO A POTENTIALLY VERY LARGE PROJECT. REPRESENTATIVES OF THE U.S. FIRMS NAMED ABOVE HAVE ALREADY REVIEWED THE SITUATION DIRECTLY WITH CORPOZULIA AND SHOULD BE GENERALLY FAMILIAR WITH THE SITUATION. PERTINENT EMBASSY REPORTING IS CITED IN THE REFERENCES. WHATEVER THE DECISION ON THE VISIT, THE EMBASSY WOULD HOPE TO HAVE COMMERCE ARRANGE THE EFFORT BY U.S. FIRMS INTERESTED IN THE COAL AND STEEL PROJECTS SUGGESTED IN THE REPAIR.
VAKY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CARACA06890
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770247-0328
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770769/aaaacifh.tel
Line Count: 155
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2aba676d-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 CARACAS A-99, 77 CARACAS 2717, 77 CARACAS 1502, 77 CARACAS 3503, 77 CARACAS 2603
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1896079
Secure: OPEN
Status: NATIVE
Subject: PROPOSED VISIT TO VENEZUELA BY SECRETARY KREPS
TAGS: BENC, BEXP, OVIP, VE
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/2aba676d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009